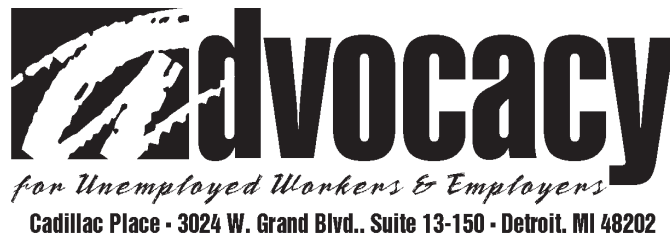


## Labor Dispute

### (Strikes & Lockouts)



**What the law says:** This issue is covered by Section 29(8) of the *Michigan Employment Security Act*, and by UIA Administrative Rule 251. The law says that if a worker is unemployed due to a labor dispute involving the worker's employer, and the worker is "directly involved" or "directly interested" in the labor dispute, the worker must be disqualified from receiving unemployment benefits.

The law says a worker will be considered "directly involved" in a labor dispute if the worker (1) voluntarily stops working while a labor dispute is in progress at the workplace; or (2) voluntarily stops working in sympathy with workers involved in a labor dispute at another workplace; or (3) becomes unemployed when any group of workers in the work establishment are involved in a labor dispute, even if the worker is not a part of that labor union. A worker will be considered "directly interested" in a labor dispute if the worker is helping to finance a labor dispute (other than through the payment of regular union dues), or if the worker would benefit from the settlement of the labor dispute, such as by higher wages, better hours, or other improvement in conditions of employment.

The disqualification will be ended if a worker finds work with another employer, works at least two consecutive weeks with that employer, and earns each week at least what the worker would have received each week in unemployment benefits.

**What court cases have said:** Court cases have said that the disqualification must be imposed whether the labor dispute is in the form of a strike by the workers, or (with some exceptions) a lockout by the employer. Cases have also said that the disqualification ends when a worker is permanently replaced, because at that point the worker's unemployment is due to the replacement and not to the labor dispute. However, if a replaced worker is then offered a specific job by the employer, and the union has also been notified by the employer of the vacancy, then the worker who refuses the job would once again become subject to the labor dispute disqualification.

**Examples:** A worker who becomes unemployed when his or her union goes on strike against the employer is disqualified from receiving unemployment benefits. A worker who works in a plant's office is disqualified when other workers at the plant, such as production workers, go on strike and cause the plant to shut down, because the office worker is considered "directly involved" in the labor dispute even though the office worker is not a member of the striking union. Likewise, a worker who cannot work because the employer has locked out the workers in the same work establishment, must be disqualified.

**Proof at the Hearing:** If either the employer or the unemployed worker appeals the case to an Administrative Law Judge, then the employer must prove that a labor dispute existed at the work establishment. The workers must prove either that there was no labor dispute, or that their unemployment was not due to the labor dispute (for example, that they had been permanently replaced).

**For Further Help:** The Unemployment Insurance Agency Advocacy Program can provide assistance to employers and/or unemployed workers in preparing for an Administrative Law Judge hearing on this issue. Call 1-800-638-3994, Item 2.